



Michigan Association of Health Plans

House Insurance Committee November 19, 2012 Blue Cross Reform (Mutualization)

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My name is Paul Duguay and I am Deputy Director of the Michigan Association of Health Plans. Our association represents 15 health plans serving over 2.5 Michigan citizens in Medicaid, Medicare and Commercial products and 55 business and limited members. Members of MAHP employ nearly 4000 individuals throughout Michigan.

Michigan's health insurers strongly support the concept of creating a level playing field for all health insurers in Michigan – including Blue Cross Blue Shield of Michigan. But we come at this objective from a different point of view.

Without question, there needs to be a level “playing field.” We believe the term “playing field” should refer to the entire health insurance marketplace, rather than the narrow segment of regulatory changes sought by Blue Cross.

There is no disputing the fact that Blue Cross Blue Shield has a 70 percent of Michigan's commercial insurance market – a monopoly by any measure. In fact, the American Medical Association has reported that Michigan has the fourth worst competitive marketplace in the nation, due to the Blue Cross monopoly dominance in every market region.

Our vision is that we need to strive toward making Michigan the most competitive market place for health insurance in the United States. I am confident that we can all agree that a more competitive marketplace will benefit Michigan insurance consumers, lowering prices for insurance premiums and increasing innovation and quality incentives. We hope that the proposed reform of BCBSM will take place under the shared objective of Michigan striving to become the MOST competitive marketplace in the nation – which means by definition, no company be permitted to have a monopoly position in any of the commercial markets of the state.

With this in mind, I would like to introduce Mr. Joseph Aoun.